

Exhibit 27

From: Jacqueline Harary [jacqueline@fggus.com]
Sent: Thursday, July 14, 2005 3:12 PM
To: Cheung, Annie (Hong Kong)
Subject: RE: Fairfield Sentry
Attachments: anabnr2.gif; Nature Bkgrd.jpg

It is unlikely that the split-strike conversion strategy ("SSC") executed by Bernard L. Madoff Securities, LLC ("BLM") would be impacted by the planned merger of NYSE and Archipelago. Note that the regulators, NYSE members and Archipelago shareholders have yet to approve this merger. BLM is compensated for executing the trades of the SSC by earning a commission on the stock and options transactions and not from the bid-ask spread. As such, any impact of the merger on already tight bid-ask spreads is expected to have little to no impact on the ability of BLM to execute the strategy.

The Investment Guidelines and trading parameters of the SSC strategy have remained unchanged for many years and there is no plan to alter them at this time. One component of the SSC strategy involves the purchase of a basket of well capitalized, highly liquid stocks all drawn from the S&P 100 Index. These stocks typically have a very tight bid/ask spread, often of only one cent. In practice, transactions are effected through BLM's automated systems which are designed and are continually enhanced to automatically provide the highest levels of regulatory compliance and execution quality available.

As you may know, BLM is currently one of the largest wholesale market makers operating in the "third market" in the U.S. (ie. market trading of listed stocks by institutional investors and non-exchange-member broker/dealers away from the NYSE floor).

From: Cheung, Annie (Hong Kong) [mailto:annie_cheung@ml.com]
Sent: Thursday, July 07, 2005 12:29 AM
To: Jacqueline Harary
Cc: Liu, Francis (Hong Kong)
Subject: Fairfield Sentry

Dear Jacqueline,

The NYSE is going to merge with Archipelago exchange. It will be a fully electronic exchange. Do you know the impact of this change on the trading policy/investment strategy of Bernie Madoff as he makes money out of the bid-offer spread of the stocks & options he hold.

Regards,

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